



Illinois Department of Revenue

101 West Jefferson Street
Springfield, Illinois 62702

MEMORANDUM

To: The Honorable John Cullerton
Senate President

The Honorable Michael J. Madigan
Speaker of the House

The Honorable Christine Radogno
Senate Republican Leader

The Honorable Jim Durkin
House Republican Leader

From: Brian Hamer
Department of Revenue Director

Date: September 27, 2013

RE: Unified Economic Development Budget

Pursuant to the Corporate Accountability for Tax Expenditures Act, the Department of Revenue is submitting the annual Unified Economic Development Budget, as found in 20 ILCS 715/10 for Fiscal Year 2011.

Tax incentive amounts reported in the Unified Economic Development Budget are totals from tax returns for tax years ending during Fiscal Year 2011. Prior reports were reported on a tax year basis and are not strictly comparable to this year's report. For the following reasons, the tax incentive amounts reported do not represent the cost of these incentives to the state during Fiscal Year 2011: tax credits (lines 1-36 of the attached report) may be earned during the year but used in a subsequent year because the taxpayer did not have sufficient current year tax liability to deduct the credit, while subtractions (lines 37-52) reduce income subject to tax rather than tax liability. Additionally, in certain cases, tax benefits may flow from one entity to another entity and thus may be counted on multiple occasions in this report. The cost of the three Department of Commerce and Economic Opportunity (DCEO) incentives, shown at the bottom of the report, were provided by DCEO and represent actual amounts obligated during Fiscal Year 2013.

Fiscal Year 2011 TAX INCENTIVES

CREDITS

Form IL-1120, Corporation Income and Replacement Tax Return

	<u>Taxpayers</u>	<u>Amounts</u>
1 TECH-PREP Youth Vocational Programs Credit	*	*
2 Film Production Services Tax Credit	16	17,953,082
3 Jobs Tax Credit	*	*
4 Enterprise Zone / River Edge Redevelopment Zone Investment Credit	423	10,255,980
5 High Impact Business Investment Credit	6	595,919
6 EDGE Tax Credit	82	60,219,448
7 Research and Development Credit	307	40,341,871
8 River Edge Redevelopment Zone Remediation Credit	*	*
9 Angel Investment Credit	*	*

Form IL-1041, Fiduciary Income and Replacement Tax Return

	<u>Taxpayers</u>	<u>Amounts</u>
10 TECH-PREP Youth Vocational Programs Credit	0	0
11 Film Production Services Tax Credit	0	0
12 Jobs Tax Credit	0	0
13 Enterprise Zone / River Edge Redevelopment Zone Investment Credit	16	5,767
14 High Impact Business Investment Credit	0	0
15 EDGE Tax Credit	6	24,332
16 Research and Development Credit	73	99,331
17 River Edge Redevelopment Zone Remediation Credit	0	0
18 Angel Investment Credit	*	*

Form IL-990-T, Exempt Organization Income and Replacement Tax Return

	<u>Taxpayers</u>	<u>Amounts</u>
20 Film Production Services Tax Credit	0	0
21 Jobs Tax Credit	0	0
22 Enterprise Zone / River Edge Redevelopment Zone Investment Credit	0	0
23 High Impact Business Investment Credit	0	0
24 EDGE Tax Credit	0	0
25 Research and Development Credit	*	*
26 River Edge Redevelopment Zone Remediation Credit	0	0
27 Angel Investment Credit	0	0

Form IL-1040, Individual Income Tax Return

	<u>Taxpayers</u>	<u>Amounts</u>
28 TECH-PREP Youth Vocational Programs Credit	*	*
29 Film Production Services Tax Credit	205	4,578,163
30 Jobs Tax Credit	257	231,816
31 High Impact Business Investment Credit	*	*
32 Enterprise Zone / River Edge Redevelopment Zone Investment Credit	1,102	5,685,214
33 EDGE Tax Credit	228	6,880,361
34 Research and Development Credit	1,371	8,006,491

35	River Edge Redevelopment Zone Remediation Credit	*	*
36	Angel Investment Credit	0	0

SUBTRACTIONS

Form IL-1120, Corporation Income and Replacement Tax Return		<u>Taxpayers</u>	<u>Amounts</u>
37	Enterprise Zone / River Edge Redevelopment Zone Dividend Subtraction	9	231,923
38	High Impact Business Dividend Subtraction	10	26,337,410
39	Enterprise Zone / River Edge Redevelopment Zone Interest Subtraction	53	32,809,429
40	High Impact Business Interest Subtraction	*	*
41	Contribution Subtraction	5	598,574

Form IL-1041, Fiduciary Income and Replacement Tax Return		<u>Taxpayers</u>	<u>Amounts</u>
42	Enterprise Zone / River Edge Redevelopment Zone Dividend Subtraction	228	1,238,993
43	High Impact Business Dividend Subtraction	1,564	4,445,628

Form IL-1040, Individual Income Tax Return		<u>Taxpayers</u>	<u>Amounts</u>
44	Enterprise Zone/River Edge Dividend Subtraction	5,597	90,769,138
45	High Impact Business Dividend Subtraction	10,202	65,597,764

Form IL-1065, Partnership Replacement Tax Return		<u>Taxpayers</u>	<u>Amounts</u>
46	Enterprise Zone / River Edge Redevelopment Zone Dividend Subtraction	35	9,417,991
47	High Impact Business Dividend Subtraction	83	3,979,669

Form IL-1120-ST, Small Business Corporation Replacement Tax Return		<u>Taxpayers</u>	<u>Amounts</u>
48	Enterprise Zone / River Edge Redevelopment Zone Dividend Subtraction	22	505,206
49	High Impact Business Dividend Subtraction	16	419,219
50	Enterprise Zone / River Edge Redevelopment Zone Interest Subtraction	38	12,572,537
51	High Impact Business Interest Subtraction	*	*
52	Contribution Subtraction	33	1,469,576

DCEO Programs

Program Type

Business Development Public Infrastructure Grants	630,000
Illinois ETIP/IP Incentive Grants	2,604,600
Large Business Development Grants	2,250,000

* Pursuant to the Illinois Income Tax Act, information withheld to protect taxpayer confidentiality.

CC: Secretary of the Senate
Clerk of the House
Legislative Research Unit
DCEO Director Adam Pollet